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employment contracts with them and filled their social insurance forms (Employment Form 1)

2-5 The obligations and liabilities excluded and is the sole responsibility of the seller:

In spite of any other stipulations stated in this contract, while observing the provisions of item 2-4, hereabove, it is understood and agreed upon explicitly that the buyer shall not be obligated with any debts or responsibilities of the seller or the activity before the implementation date, regarding:

- i. Any due obligations, including without limitation the taxes and accounts due and the prepaid revenues and postponed expenses.
- ii. Violating any of the laws, rules or regulations in force (including the environmental laws, rules and regulations),
- iii. The responsibilities related to any contract or client orders or licenses or purchase orders that were contracted upon by the buyer.
- iv. Any other debts, responsibilities or obligations on the buyer; whether arising from the ownership of the

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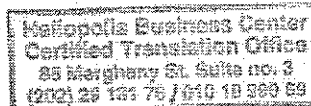
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activity or others, whether arising from contractual obligation or breach or wrongdoing.

- v. Any liability or obligation on the buyer prior to the two years regarding the ordinary holidays account that were not taken by the employees on the implementation date. This is the liability and obligation that the buyer shall meet or pay for prior to or on the delivery date.
- vi. Any amounts resulting from litigation or cases filed versus the company or the factory prior to the implementation date of this contract.

2-6 NON-TRANSFERABLE CONTRACTS:

In case of the presence of contracts, permits or licenses within the purchased assets or within the transferred obligations and liabilities; that the buyer and the seller agreed that they are un-transferable to the buyer; whether by cause of their subject, stipulations or according to the law; except upon acquiring the acceptance of the third party (non-transferable contracts). The seller agrees to exert his utmost effort as soon as possible upon concluding and delivering this contract in order to acquire any necessary approvals for transferring such non-transferable contracts or its benefits to the buyer. Regarding any such approval not acquired; the



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seller shall not be regarded as violating any of his obligations under this contract by cause of failing to acquire this approval as long as the seller continued to exert his efforts to acquire such approval with good intent.

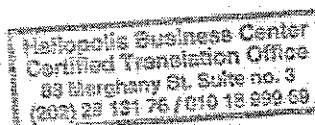
Regarding the land parcels mentioned herein that are allocated for the first party (seller) by the Tenth of Ramadan Development Body; the first party shall bare final obligation for transferring the allocation of this land to the second party, provided that at the time an agreement will be made for the obligation on each party regarding the allocation transfer fees.

ARTICLE 3**BUYING & SELLING****3-1 THE PRICE:**

As per the provisions and conditions of this contract, the seller agrees to sell, forsake, and transfer to the buyer, that accepts that, all the purchased assets as being operational and productive assets against paying the amounts that are calculated and due according to item 3-2 of this contract.

3-2 THE PURCHASE PRICE:

I- As per the terms and conditions of this contract, the buyer agrees t pay to the seller the amount of LE 331,280,000 as



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the price of the purchased assets represented in the following:

1- Fixed and movable assets

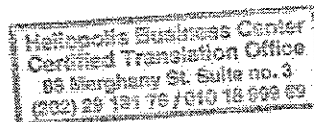
- a. Land and constructions
- b. Equipment and machinery, tools and installations and cranes.
- c. Furniture and fixtures, etc.

2- Artificial assets: represented in the licenses, permits and approvals that the factory acquired together with the factory expenses, technical and economic studies, founding expenses and pre-operation costs, trained manpower, effort and time taken for that, the reputation of the product in the market, product capacity and marketing potential and conformity with the provisions of the environment protection law, etc.

3- Spare parts, based on book value

The total price has in consideration that the factory was operated and is productive and that a large part of the payment is postponed.

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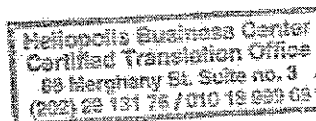
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III- the buyer pays the price to the seller as follows:

- a. The amount LE 1,000,000 to be paid upon signing this contract, the buyer's signature on this contract is regarded as a receipt proving receiving the advance amount of the purchase price.
 - b. The remaining amount of LE 231,280,000 was paid by the buyer via notes receivable, that are jointly guaranteed for payment by the National bank (72 bonds). These notes receivable are due monthly and consecutively as of the first of January-2001 and ending on the first of December-2006, each installment is for the amount of LE 3,212,000 all drawn to the favor of the seller.
- 4- Delivering the bonds to the seller (first party) on signing the contract in exchange for acquiring proof for writing off the commercial mortgage and canceling the delegation to mortgage the real estates issued for the favor of the Banque Du Caire.

This sale is final and irrevocable for any reason whatsoever, in case the buyer was delinquent or did not honor his obligations provided herein for any reason whatsoever, consequently the seller shall use his right to evoke the contract; then the buyer be bound to pay the

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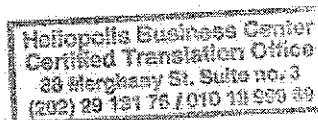
contractual compensation to the seller according to the amount stated in the contract item (3-2-C-1), which is equivalent to the advance payment stipulated herein, without need for assessment or to judiciary supervision for estimating the compensation amount.

3-3 DELIVERY AND OWNERSHIP TRANSFER

Unless the buyer and the seller agreed on otherwise, and while observing the conditions provided herein, the ownership delivery and transfer for the purchased assets and the depreciation burden are given to the buyer on the delivery and effectiveness date. Delivery shall take place in the factory premises where the assets purchased, subject of this contract, are present.

3-4 TAXES ON THE OWNERSHIP DELIVERY AND TRANSFER:

Each party shall bare the taxes and fees imposed on him by the laws relevant to concluding the operations expected on concluding this contract. the two parties particularly agreed that the seller shall bare the real-estate transaction taxes and the buyer shall bare all the taxes and fees related to the registration and ownership transfer of the purchased assets in the name of the buyer, this shall include without limitation



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the fees and taxes for ownership transfer of lands, real-
estates, machinery, means of transportation of the buyer.

ARTICLE 4

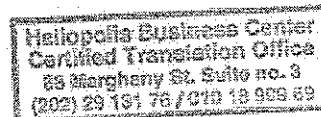
SELLER ATTESTATIONS & GUARANTEES

The seller states and guarantees to the buyer the following:

**4-1 THE EXISTENCE AND AUTHORITY OF THE SELLER AS WELL AS
HIS GUARANTEES AND OBLIGATIONS:**

- a. The seller is a company that was legal established and legally exists under the Egyptian laws. The seller possesses all the legal capacities necessary and the owner powers to own and operate the activity (including the purchased assets) as currently managed. The seller possesses all the legal capacity and legal jurisdiction to sign and deliver and execute this contract and all the documents and instruments necessary and expected to be needed according to this contract and in executing the operations expected as per this contract. all the legal procedures and regulations regarding the shareholders and all the other procedures required by the seller for authorizing and signing and delivering and implementing this contract together with all the documents and instruments

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required and expected to be needed as per this contract and the operations expected to be performed according to this contract.

b. Signing, delivering and implementing this contract and all the documents and instruments required or expected from the seller as well as implementing the operations expected as per this contract

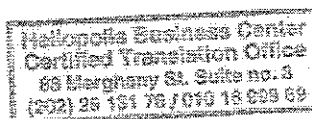
1- He shall not preach or object any of the provisions of the corporate charter or establishment contract of the seller.

2- It shall not contradict with or lead to preaching or form (as per notification according to the rules or upon the expiration of the duration or for both reasons) a violation by virtue of any verdict or resolution issued by any court or government entity that is obligating to the seller. Or;

3- At the best knowledge of the seller, he shall not breach any effective law.

c. There are no rights for any third party of any kind that affects all or most of the purchased assets, except for what is expected as per this contract including commercial mortgage on the material and artificial

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components of the Arab Iron Factory for the favor of Banque Du Caire, other than the delegation given to the bank for mortgaging the real-estate assets of the Arab Iron Factory for the favor of the bank and that the seller shall acquire the bank approval for writing off the mentioned commercial mortgage and cancel the delegation given to the bank for real-estate mortgage.

- d. The buyer shall commit to paying the installments of the sales taxes determined for the factory machinery and equipment that were not paid and also the rights of others permitted and stated in Attachment 3 herein.

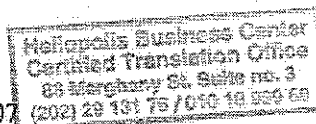
4-2 THE STATUS OF PURCHASED ASSETS:

That the purchased assets are used in the activity as currently used by the seller except for the excluded assets stated in the attachments of this contract.

4-3 REAL-ESTATES:

- a. Attachment 4, of this contract, comprises full and accurate description, sketch drawings of the owned real estate including the address, area and full description as well as an inventory of all the contracts and agreements related to the real estate owned or any part thereof. The seller delivered to the buyer a copy

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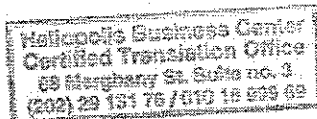
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of these contracts and agreements. The seller is the sole legal owner without rival for all the rights, property and interest rights for the owned real estates. All the owned real-estates; including the constructions, buildings and improvements thereof and all the subsidiary ownerships of these are all free from any right for others except for the third party rights stated in this contract or those allowed.

- b. The owned real estate complies with all the laws relevant to land management, city planning, building, health, fire, water and utilities and the laws or regulations, legislations or by-laws.

4-4 MOVABLE ASSETS

Attachment 5 herein comprises a full and accurate inventory list of all the movable assets owned by the seller and used in the activity, except for the excluded assets. The seller owns the mentioned movable assets without any rival in any of the rights to a third party except for the items mentioned in item 4-1. The movable assets mentioned are all in good condition, except for normal wear and tear, usable for the usual activity. The seller delivered and offered a full and accurate copy of all the data and records to the buyer.



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4-5 JUDICIARY CASES AND CLAIMS

CONCERNING PURCHASED ASSETS:

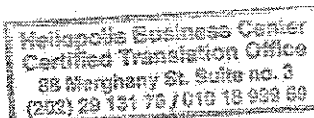
There are no claims or court cases, allegation or pending legal procedures or at the best knowledge of the seller, threat of such actions before any court or administrative body. There is no judiciary order concerning any of the assets purchased that has or may have significant influence on the projected operations as per this contract or that prevents the completion of such operations.

4-6 CONTRACTS

Attachment 9 includes a full and accurate list of all the contracts and agreements that the seller is party to and that relates to the purchased assets; including without limitation the electricity, water, telephones, natural gas contracts and the invoices proving the subscription of the factory.

4-7 ABIDING BY THE LAWS

The licenses and permits represents all the license, permits, applications, permissions and approvals required or needed for the operation of the activity and for owning or using or operating any of the seller's machinery or facilities or for providing any of the products and all the documents required to be tendered to any government body, respective organizational or administrative entity (or any such



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representing entity). These licenses and permits are valid, fully effective, and executable and may be used by the buyer upon acquiring the necessary approvals from the government and local authorities if necessary. The attachment 10 comprises a full and accurate list of all licenses and permits.

4-8 BOOKS AND LOGS

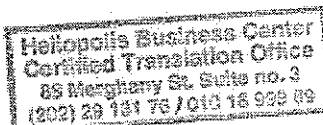
All the employees' books, logs, data, and relevant material were prepared and maintained according to all the laws and regulations in force. The seller provided the buyer with all these logs, books, records and the like.

4-9 NO BROKER FEES

Neither this contract nor the sale and purchase of assets was conducted or expected to perform any relevant operation through a third party that represents or acts on behalf of the seller in any capacity, thus deserving any fees or commission from the buyer.

4-10 ENVIRONMENTAL ISSUES

The seller did not commit any act for which he had to face or receive notification with any facts or information that may lead to assuming the possibility of facing any procedure or penalty and there is no claim regarding any violation of the purchased assets to any of the laws, regulations, legislations



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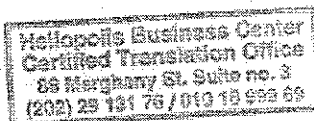
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of code of the trade related to pollution or environmental protection. The buyer received a copy of the Ministry of State for Environmental Affairs dated May 1999 addressed to the Head of the Tenth of Ramadan City Authority providing for the approval to grant the factory the required operation lenience based on the proved conformity with the provisions of the environmental code no. 4/1994.

4-11 EMPLOYEES:

Attachment 8 herein comprises a full and accurate list of all the managers and all employees working for the seller at the date of concluding this contract ("Employees"), including accurate information regarding their salaries and wages, incentives, bonuses and other monetary rights legally deserved for the employees. The list also provided for the employees calibers and summarized job description of each employee. The buyer is committed to sign other contracts with these employees according to the arrangement that shall take place with the seller within 30 days of the implementation date.



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ARTICLE 5

BUYER ATTESTATIONS & GUARANTEES

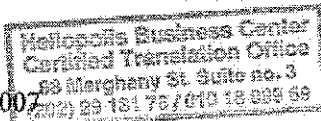
The buyer attests and guarantees the following:

5-1 ESTABLISHMENT, PRESENCE & AUTHORITY OF THE BUYER

a. the buyer is:

- i. A company that is established as per the going standards and is legally existent under the laws of the Arab Republic of Egypt.
- ii. He has all the legal authorities and jurisdictions for signing, performing, and implementing this contract. all the legal procedures and the procedures regarding the shareholders, transactions and all the other procedures required to be taken by the buyer for allowing the signature, performing and implementing this contract and all the documents and instruments required and expected as per this contract and the operations expected as per this contract and the operations expected herein as per these documents were all performed according to the professional standards.

b. Signing, performing and implementing this contract together with the required documents and those expected from the buyer upon concluding this contract and



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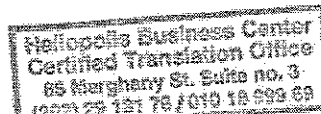
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performing the operations expected as per this contract and these documents:

- i. Shall not preach or conflict with any provision or condition in the establishment contract or corporate charter of the buyer. Or;
- ii. Shall not breach any law or by-law in force on the buyer.
- c. All the contract, documents and instruments required or expected to be delivered to the buyer as per this contract had been performed or will be signed and finally delivered as should be and that these constitute or shall constitute the agreements and legal commitments and are valid and committing to the buyer and are executable according to the conditions relevant to each of them.

**5-2 INSPECTING THE PURCHASED ASSETS,
MACHINERY, & EQUIPMENT**

- a. The buyer sufficiently and adequately inspected the fixed and movable assets, spare parts and he states that he accepted these in their current condition.
- b. The buyer performed the technical, economic and financial studies required before concluding this contract via specialized experts and had reviewed the operation



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